

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/29/07

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**Postlethwaite & Netterville**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Louisiana Association of Nonprofit Organizations, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Louisiana Association of Nonprofit Organizations, Inc. as of December 31, 2006 and 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association of Nonprofit Organizations, Inc. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2007, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
June 21, 2007

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2006 AND 2005**

**ASSETS**

|                              | <u>2006</u>         | <u>2005</u>       |
|------------------------------|---------------------|-------------------|
| Cash and cash equivalents    | \$ 1,210,870        | \$ 552,461        |
| Accounts receivable          | 25,426              | 140,529           |
| Prepaid expenses             | 7,279               | 3,272             |
| Furniture and equipment, net | 23,471              | 9,827             |
| Total assets                 | <u>\$ 1,267,046</u> | <u>\$ 706,089</u> |

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

|                             |                |                |
|-----------------------------|----------------|----------------|
| Accounts payable            | \$ 43,463      | \$ 50,184      |
| Payroll related liabilities | 8,793          | 4,101          |
| Other accrued liabilities   | -              | 4,000          |
| Deferred membership revenue | 56,910         | 42,949         |
| Total liabilities           | <u>109,166</u> | <u>101,234</u> |

**NET ASSETS**

|                        |                  |                |
|------------------------|------------------|----------------|
| Unrestricted           | 394,515          | 397,934        |
| Temporarily restricted | 763,365          | 206,921        |
| Total net assets       | <u>1,157,880</u> | <u>604,855</u> |

|                                  |                     |                   |
|----------------------------------|---------------------|-------------------|
| Total liabilities and net assets | <u>\$ 1,267,046</u> | <u>\$ 706,089</u> |
|----------------------------------|---------------------|-------------------|

The accompanying notes are an integral part of these statements.

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2006 AND 2005**

|                                       | 2006         |                           |              |
|---------------------------------------|--------------|---------------------------|--------------|
|                                       | Unrestricted | Temporarily<br>Restricted | Total        |
| <b><u>REVENUES</u></b>                |              |                           |              |
| Membership dues                       | \$ 143,232   | \$ -                      | \$ 143,232   |
| Publications                          | 8,370        | -                         | 8,370        |
| Sponsorships                          | 35,708       | -                         | 35,708       |
| Grant income                          | 517,106      | 1,623,707                 | 2,140,813    |
| Program income                        | 96,699       | -                         | 96,699       |
| Contract and other revenues           | 57,411       | -                         | 57,411       |
| In kind contributions                 | 43,080       | -                         | 43,080       |
| Contributions                         | 20,350       | -                         | 20,350       |
| Total revenues                        | 921,956      | 1,623,707                 | 2,545,663    |
| Net assets released from restrictions | 1,067,263    | (1,067,263)               | -            |
| Total revenues and other support      | 1,989,219    | 556,444                   | 2,545,663    |
| <b><u>EXPENSES</u></b>                |              |                           |              |
| Program services                      | 1,747,140    | -                         | 1,747,140    |
| Support services                      | 223,498      | -                         | 223,498      |
| Grant solicitation                    | 22,000       | -                         | 22,000       |
|                                       | 1,992,638    | -                         | 1,992,638    |
| CHANGE IN NET ASSETS                  | (3,419)      | 556,444                   | 553,025      |
| NET ASSETS - beginning of period      | 397,934      | 206,921                   | 604,855      |
| NET ASSETS - end of period            | \$ 394,515   | \$ 763,365                | \$ 1,157,880 |

The accompanying notes are an integral part of these statements.

2005

| Unrestricted      | Temporarily<br>Restricted | Total             |
|-------------------|---------------------------|-------------------|
| \$ 162,520        | \$ -                      | \$ 162,520        |
| 8,796             | -                         | 8,796             |
| 54,325            | -                         | 54,325            |
| 738,289           | 279,408                   | 1,017,697         |
| 67,122            | -                         | 67,122            |
| 80,012            | -                         | 80,012            |
| 20,661            | -                         | 20,661            |
| 176,249           | -                         | 176,249           |
| <u>1,307,974</u>  | <u>279,408</u>            | <u>1,587,382</u>  |
| 142,955           | (142,955)                 | -                 |
| <u>1,450,929</u>  | <u>136,453</u>            | <u>1,587,382</u>  |
| 1,064,864         | -                         | 1,064,864         |
| 117,351           | -                         | 117,351           |
| 17,500            | -                         | 17,500            |
| <u>1,199,715</u>  | <u>-</u>                  | <u>1,199,715</u>  |
| 251,214           | 136,453                   | 387,667           |
| <u>146,720</u>    | <u>70,468</u>             | <u>217,188</u>    |
| <u>\$ 397,934</u> | <u>\$ 206,921</u>         | <u>\$ 604,855</u> |

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2006 AND 2005**

|   | 2006                |                     |                       |                     |
|---|---------------------|---------------------|-----------------------|---------------------|
|   | Program<br>Services | Support<br>Services | Grant<br>Solicitation | Total               |
| Annual conference                           | \$ 65,008           | \$ -                | \$ -                  | \$ 65,008           |
| Professional fees                           | 413,603             | 7,777               | -                     | 421,380             |
| Contributions                               | 32,782              | -                   | -                     | 32,782              |
| Depreciation                                | -                   | 8,832               | -                     | 8,832               |
| Dues and subscriptions                      | 9,675               | 5,681               | -                     | 15,356              |
| Sub-awards and subcontracts                 | 260,206             | -                   | -                     | 260,206             |
| Lobbying                                    | -                   | 21,000              | -                     | 21,000              |
| Other                                       | 98,394              | 113,134             | 1,000                 | 212,528             |
| Payroll taxes and benefits                  | 86,629              | 6,565               | 350                   | 93,544              |
| Postage and delivery                        | 19,273              | 1,618               | 500                   | 21,391              |
| Printing, reproduction,<br>and publications | 55,390              | 7,177               | 600                   | 63,167              |
| Rent  | 76,155              | 5,996               | -                     | 82,151              |
| Salaries                                    | 605,719             | 38,324              | 19,000                | 663,043             |
| Telephone                                   | 24,306              | 7,394               | 550                   | 32,250              |
| Total expenses                              | <u>\$ 1,747,140</u> | <u>\$ 223,498</u>   | <u>\$ 22,000</u>      | <u>\$ 1,992,638</u> |

The accompanying notes are an integral part of these statements.

2005

| Program<br>Services | Support<br>Services | Grant<br>Solicitation | Total               |
|---------------------|---------------------|-----------------------|---------------------|
| \$ 76,925           | \$ -                | \$ -                  | \$ 76,925           |
| 81,409              | 8,463               | -                     | 89,872              |
| 2,555               | -                   | -                     | 2,555               |
| -                   | 5,374               | -                     | 5,374               |
| 1,790               | 3,195               | -                     | 4,985               |
| 374,074             | -                   | -                     | 374,074             |
| -                   | 21,000              | -                     | 21,000              |
| 112,705             | 49,067              | -                     | 161,772             |
| 58,363              | 4,165               | 800                   | 63,328              |
| 4,690               | 959                 | 250                   | 5,899               |
| 17,435              | 4,649               | 400                   | 22,484              |
| 23,340              | 3,404               | 750                   | 27,494              |
| 303,905             | 13,091              | 15,000                | 331,996             |
| 7,673               | 3,984               | 300                   | 11,957              |
| <u>\$ 1,064,864</u> | <u>\$ 117,351</u>   | <u>\$ 17,500</u>      | <u>\$ 1,199,715</u> |



**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2006 AND 2005**

|  | <u>2006</u>         | <u>2005</u>       |
|--|---------------------|-------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>   |                     |                   |
| Change in net assets   | \$ 553,025          | \$ 387,667        |
| Adjustments to reconcile change in net assets to<br>net cash provided by operating activities: |                     |                   |
| Depreciation   | 8,832               | 5,374             |
| Decrease (increase) in accounts receivable   | 115,103             | (92,915)          |
| Decrease (increase) in prepaid expenses  | (4,007)             | 8,159             |
| Increase (decrease) in deferred membership revenue   | 13,961              | (40,539)          |
| Increase (decrease) in accounts payable  | (6,721)             | 24,683            |
| Increase (decrease) in payroll related liabilities   | 4,692               | (8,881)           |
| Increase (decrease) in other accrued liabilities   | (4,000)             | (355)             |
| Net cash provided by operating activities  | <u>680,885</u>      | <u>283,193</u>    |
| <br><b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>   |                     |                   |
| Purchases of furniture and equipment   | <u>(22,476)</u>     | <u>(7,097)</u>    |
| Net cash used in investing activities  | <u>(22,476)</u>     | <u>(7,097)</u>    |
| <br>Net increase in cash and cash equivalents  | 658,409             | 276,096           |
| <br>Cash and cash equivalents - beginning of period  | <u>552,461</u>      | <u>276,365</u>    |
| <br>Cash and cash equivalents - end of period  | <u>\$ 1,210,870</u> | <u>\$ 552,461</u> |

The accompanying notes are an integral part of these statements.

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of significant accounting policies**

**Nature of activities**

Louisiana Association of Nonprofit Organizations, Inc. (the Organization) was created in 1997 as a division of the Foundation for a Better Louisiana to provide essential services to other nonprofit organizations in an effort to help strengthen the nonprofit sector in Louisiana. On May 7, 1999, Louisiana Association of Nonprofit Organizations, Inc. was incorporated and became an independent entity.

The Organization's mission is to strengthen, promote, and build the capacity of Louisiana's nonprofit sector through education, advocacy, and member services. The organization accomplishes its mission through the following programs:

- technical assistance through publications, training, and technology such as the LANO web-site;
- Louisiana Standards for Excellence - ethics and accountability code;
- regional and statewide educational meetings on topics of importance to nonprofit organizations, including funding, public policy, and management related issues;
- Public Policy Initiative - training on public policy issues, advocacy, research, and publications;
- Long Term Recovery and Disaster coordination services;
- manuals and publications on management, training, and advocacy;
- periodic newsletters and other publications; and
- building the capacity of community and faith-based groups.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of presentation**

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

Cash and cash equivalents

For purposes of reporting cash flows, cash includes cash in checking accounts, money market accounts, and highly liquid investments with original maturities of three months or less. At various times during the fiscal year, the Organization's cash in bank balances exceeded the federally insured limits.

Accounts receivable

As of December 31, 2006 and 2005, all accounts receivable were considered collectible; therefore, no allowance for uncollectible accounts has been established. Accounts are considered past due based on their contractual terms. Receivables are monitored by management during the year, and all accounts considered to be uncollectible are written off.

Furniture and equipment

Furniture and equipment are recorded at cost with depreciation being recorded using the straight-line method over the estimated useful lives of the assets (three to five years). Maintenance and repairs are charged to expense, while additions and improvements are capitalized. Donated property is recorded at its estimated fair value on the date of receipt, which is then treated as cost.

When assets are retired or disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gains and losses are recognized in the Organization's yearly operations.

Contributed services

The Organization recognizes revenue for certain services received at the estimated fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation.

Temporarily and permanently restricted net assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time, period, or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. The Organization does not have any permanently restricted net assets.

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

Contributions

The Organization accounts for contributions in accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grant reimbursements

The Organization recognizes revenues and receivables on reimbursable grants to the extent that expenses have been incurred.

Deferred membership revenue

Membership dues, which are based on twelve month memberships, that are paid prior to December 31<sup>st</sup> for subsequent periods are recorded as deferred revenue at December 31<sup>st</sup>.

Income taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. Accordingly, no provision for income taxes is necessary.

Allocated expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs, supporting services, and grant solicitation based on records and estimates made by the Organization's management.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the current year presentation.

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

2. Furniture and equipment

Furniture and equipment consisted of the following at December 31, 2006 and 2005:

|                                | <u>2006</u>      | <u>2005</u>     |
|--------------------------------|------------------|-----------------|
| Furniture and equipment        | \$ 66,577        | \$ 44,101       |
| Less: accumulated depreciation | ( 43,106)        | ( 34,274)       |
|                                | <u>\$ 23,471</u> | <u>\$ 9,827</u> |

Depreciation expense totalled \$8,832 and \$5,374, for the years ended December 31, 2006 and 2005, respectively.

3. Temporarily restricted net assets

Temporarily restricted net assets at December 31, 2006, were available for the following purposes:

|  |                   |
|--|-------------------|
| New Orleans                                    | \$ 366,161        |
| Baton Rouge Capacity Building                  | 17,491            |
| Louisiana Housing Alliance                     | 24,363            |
| Standards for Excellence                       | 16,599            |
| Post Hurricane Katrina Recovery – Lake Charles | 6,664             |
| Louisiana Budget Project                       | 274,102           |
| LANO – North Louisiana                         | 54,071            |
| Long Term Disaster Recovery                    | <u>3,914</u>      |
|  | <u>\$ 763,365</u> |

Temporarily restricted net assets at December 31, 2005, were available for the following purposes:

|                                   |                   |
|-----------------------------------|-------------------|
| Standards for Excellence training | \$ 9,821          |
| LANO – North Louisiana            | 18,000            |
| Public Policy & Advocacy          | 21,391            |
| Long Term Disaster Recovery       | 147,509           |
| Other                             | <u>10,200</u>     |
|                                   | <u>\$ 206,921</u> |

4. Line-of-credit

During the year ended December 31, 2004, the Organization obtained a \$25,000 unsecured operating line-of-credit at a local financial institution with a variable annual interest rate of prime (8.25% at December 31, 2006). There was not an outstanding balance on this line-of-credit at either December 31, 2006 or 2005.

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

5. Net assets released from restrictions

Net assets were released from donor restrictions by incurring program-related expenses satisfying the restricted purposes during the year ended December 31, 2006, as follows:

|  |                     |
|--|---------------------|
| New Orleans                                      | \$ 271,339          |
| Louisiana Budget Project                         | 75,898              |
| Public Policy & Advocacy                         | 67,598              |
| Louisiana Housing Alliance & Policy Coordination | 75,637              |
| Baton Rouge Capacity Building                    | 57,509              |
| Long Term Disaster Recovery                      | 273,595             |
| Standards for Excellence                         | 23,222              |
| LANO – North Louisiana                           | 193,929             |
| Post Hurricane Katrina Recovery – Lake Charles   | 18,336              |
| Other  | 10,200              |
|  | <u>\$ 1,067,263</u> |

Net assets were released from donor restrictions by incurring program-related expenses satisfying the restricted purposes during the year ended December 31, 2005, as follows:

|  |                   |
|--|-------------------|
| LANO – North Louisiana                         | \$ 15,000         |
| Public Policy & Advocacy                       | 24,817            |
| Long Term Disaster Recovery                    | 45,000            |
| Post Hurricane Katrina Recovery – Lake Charles | 22,491            |
| Standards for Excellence                       | 35,647            |
|  | <u>\$ 142,955</u> |

6. Leases

The Organization has entered into various lease agreements for office space throughout the state. The majority of the leases are either on a month-to-month basis or have terms of twelve months or less. At December 31, 2006, future minimum lease payments for those leases with terms that extended beyond December 31, 2006, were as follows:

| <u>Year ended</u><br><u>December 31,</u> | <u>Amount</u>     |
|--|-------------------|
| 2007                                     | \$ 72,171         |
| 2008                                     | 25,349            |
| 2009                                     | 21,124            |
|  | <u>\$ 118,644</u> |

Rent expense totaled \$82,151 and \$27,494 for the years ended December 31, 2006 and 2005, respectively.

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

7. **Employee benefits**

The Organization sponsors a defined contribution retirement program for which it contributes 5% of the pay of all eligible employees. The program is available to all regular employees working 40 hours per week or more with at least two years of service. Eligible employees become 100% vested in their retirement plan when they reach two years of service with the Organization. Total contributions to this plan by the Organization totaled approximately \$10,225 and \$12,581 during the years end December 31, 2006 and 2005, respectively.

For employees who can demonstrate that they have health benefits comparable to those provided by the Organization from another source, the per employee per month health insurance allocation provided by the Organization may be used to purchase additional retirement benefits. The total benefit provided by the Organization for this plan for the years ended December 31, 2006 and 2005 was \$6,100 and \$1,105, respectively.



**Postlethwaite & Netterville**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Louisiana Association of Nonprofit Organizations, Inc.  
Baton Rouge, Louisiana

We have audited the basic financial statements of Louisiana Association of Nonprofit Organizations, Inc. (the Organization) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Board of Directors and management of Louisiana Association of Nonprofit Organization, Inc., federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite: Netterville*

Baton Rouge, Louisiana  
June 21, 2007



**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2006**

A. Summary of audit results:

- (1) The Independent Auditors' Report expressed an unqualified opinion on the financial statements of Louisiana Association of Nonprofit Organizations, Inc. as of and for the year ended December 31, 2006.
- (2) No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- (3) No instances of noncompliance material to the financial statements of Louisiana Association of Nonprofit Organizations, Inc. were disclosed during the audit.
- (4) A management letter was not issued in connection with the current year audit.

B. Findings - financial statement audit:

- (1) None

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2006**

**LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.**  
**BATON ROUGE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2006**

2005-2)      Allowable Costs      Questioned Costs: Undetermined

*Criteria* - The OMB Circular A-133 requires the determination of whether the minimum amounts of percentage of contributions or matching funds have been provided..

*Condition* - The Organization did not monitor its matching requirement until year end.

*Effect* - Although it appears the matching requirement was met, the lack of calculating the matching requirement throughout the year may cause federal funds to be drawn in excess of allowable costs under the grant award.

*Recommendation* - The Organization should develop a written policy and procedure for calculating and supporting the match requirement of the grant.

*Management's response* - In addition to providing the services that he is already providing to the Organization on a monthly basis, the Organization's contract accountant will calculate the match requirement on the federal grant to verify that the minimum amounts of percentage of contributions or matching funds have been provided.

*Updated management's response* - the contract accountant has determined the amount of matching dollars needed and, on a monthly basis, breaks out the portion for personnel (salaries and wages) and fringe benefits to the correct match expense accounts.